The business magazine of the farm & industrial equipment industry

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Implement & Tractor

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Reduced Tillage and Equipment Sales

I&T leads off this issue with two articles that may help dealers feel better about a concept in which machinery does **less** work for the farmer. One tells what a dealer is doing today. The other is by a veteran who recalls similar major changes.

8: **McCunn's Pioneer Effort: Renting No-Till Planters.** In hilly western Iowa, where soil conservation is a matter of some urgency, this Deere dealer got help from SCS and extension people.

14: **Reduced Tillage – Not a Sales Wrecker!** Walt Buescher, our Year of the Salesman commentator, recalls his first brush with minimum tillage – and his early attempts to cope with change by ignoring it.

24: **When the Service Manager Turns to Selling...** Steve Bockting (left in picture above) started back in the shop. When his brother Bill (right) turned him loose as equipment salesman, his skills with technical matters and with people paid off handsomely. Another Year of the Salesman feature.

28: **Selling Irrigation/Selling Tractors – a Good Balance.** Down in south Georgia, Bob Kennon covers a nine-county area with his Lockwood line, a good counterpoint to his Ford tractor business.

43: **New 4-Wheelers from Allis-Chalmers.**

On the cover... A rare skip in this Iowa field shows the good weed control of corn planted in wheat stubble.

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What's Ahead...

I&T SINCE 1886

May 7, 1982

U.S. RETAIL SALES OF FARM TRACTORS in the first quarter were off 5 per cent, but sales of two-wheel-drive models over 100 hp are up 5 per cent for the period and up 2.8 per cent for March. Three-month sales of combines, conventional balers, forage harvesters and mower conditioners were down substantially. Here's the FIEI flash report:

	Unit Retail Sales					
	March			January-March		
	1982	1981	Pct. Change	1982	1981	Pct. Change
Farm Wheel Tractors:						
2-wheel drive						
40-100 hp	4,154	4,429	- 6.2	10,067	11,276	-10.7
Over 100 hp	3,596	3,497	+ 2.8	9,592	9,133	+ 5.0
Total 2-wheel drive	7,750	7,926	- 2.2	19,659	20,409	- 3.7
4-wheel drive	696	881	-21.0	1,926	2,319	-16.9
Total Tractors	8,446	8,807	- 4.1	21,585	22,728	- 5.0
Combines (S-P)	487	1,128	-56.8	2,371	3,819	-37.9
Balers*	334	610	-45.2	932	1,468	-36.5
Forage Harvesters**	165	278	-40.6	613	722	-15.1
Mower Conditioners	557	918	-39.3	1,564	2,082	-24.9

*Bales under 200 lbs. **Shear-bar type.

SURVEY OF DEALERS INDICATES EXPECTATIONS OF A 1982 UPTURN, reports John Dougherty, national sales manager for Chromalloy Farm Equipment Div. The survey finds 15 per cent of responding dealers think there will be a second-quarter upturn; another 31 per cent said business will improve in the third quarter and 23 per cent indicated the fourth quarter. "Over half the dealers felt market recovery would be moderate," says Dougherty. "About 44 per cent said recovery would be slow....Several dealers said retail sales will improve only if commodity prices get close to production cost levels; others said prices will have to reach at least 80 per cent of parity....Some dealers feel interest rates will need to fall to at least 12 per cent before farmers can begin buying equipment. Others noted that while interest rates are a consideration,...the future revolves around commodity prices and the need for farmers to receive a fair return on their investments." Chromalloy markets shortline farm equipment under the Arps, Burch, Kewanee and Schwartz brand names.

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unprecedented rewards for skilled cash managers.

In this business, *kanban* has traditionally been something the North American farmer could count on. He could wait until he knew he had a crop made, for example, before going to see his dealer about a combine. He'd get it *kanban*—just in time. Inventory holding costs (*i.e.*, floor planning expense) were built into the machine's price, but it was a good deal as long as interest rates were low.

Today, however, interest rates are terrible. And the cost of floor planning still must be borne eventually by the final customer, the farmer. If he clearly understood what his *kanban* system costs him, maybe he'd want something different.

Speaking of matters Japanese, the Industrial & Construction Equipment Div. of FIEI is preparing a June 7-8 outlook conference whose theme is "Strategic Issues—the Japanese Challenge." Speakers will get into the matter from the standpoints of manufacturing, human resources, marketing and political response. The meeting is to be held at the Indian Lakes Convention Center, Bloomingdale, Ill. For more information, call Lynn Huffman at FIEI, 312/321-1470.

Who are ag advertising's big spenders? Not many from this industry in '81

Agricom is the organization in St. Joseph, Mo., that keeps a tally on how much money is spent on agribusiness print advertising in the U.S. Every six months, they issue a listing of what they count as the top 150 advertisers.

What follows is I&T's extraction of farm equipment companies in the Top 150 for 1981. We show the ranking, company name, amount spent in 1981 and show the increase (or decrease) in outlay from 1980.

(Note: The Agricom totals leave out money spent on TV and radio.)

Rank	Company	1981 Outlay	Pct. Change
4.	Deere	$4,822,616	9.75
6.	Int. Harv.	4,082,481	5.88
9.	Ford Motor	2,920,706	13.23
11.	New Holland	2,371,451	6.40
16.	Massey-Ferg.	1,622,557	26.47
21.	Allis-Chalmers	1,441,954	17.67
30.	J I Case	1,165,538	(16.09)
44.	White Farm	745,795	(27.70)
46.	Hesston	728,558	(8.27)
58.	New Idea	548,702	(20.95)
59.	Valmont	544,312	62.85
62.	Gehl	535,637	4.48
67.	Kubota	488,735	3.02
73.	Kewanee	415,149	39.05
79.	Bush Hog	361,090	(8.37)
80.	Lindsay	355,989	(1.97)
85.	Caterpillar	352,452	(3.47)
89.	Deutz	328,579	27.16
96.	Brillion	279,096	5.92
104.	Steiger	260,152	49.08
109.	Lockwood	251,800	141.81
113.	Farmhand	236,236	(12.69)
115.	Vermeer	231,998	(6.62)
132.	Dickey-john	193,936	26.19
135.	Patz	192,145	11.93
138.	Chore Time	185,378	69.00
142.	Detroit Diesel	183,842	66.68
145.	Badger N'land	182,723	(2.65)
146.	Tye Co.	182,542	121.32
147.	M&W Gear	180,924	33.96

Now, if you will permit some comments about this listing:

- Without running a check on the Top 150 lists of earlier years, I'll bet there were more farm equipment companies represented in past years than 1981. In the face of weakening markets, farm chemical, fertilizer and seed companies have kept up their heavy merchandising efforts more strongly than have farm equipment companies.
- Ford's advertising includes both farm tractors and road vehicles, including trucks.
- Kewanee had a major surge in advertising volume, but in 1981, several Chromalloy companies were merged into Kewanee.
- There are 30 farm equipment companies listed among the Top 150, but if we include tires as farm equipment, there are 33—Goodyear, 52nd with $630,531, up 18 per cent; Firestone, 101st, $264,171, down 65 per cent; Goodrich is 130th at $198,360, up 98 per cent.

What if... Reflecting on these numbers, I wonder what the tallies would have been if every farm equipment dealer in the land had fully taken advantage of every cooperative advertising program that had been made available by manufacturers.

If that had happened, there would have been many additional farm equipment faces on Agricom's list, though some of them would have been brought there kicking and screaming.

In that context, I sometimes have this vision: Here's this farm equipment marketing executive chewing out the ad manager because the new, simplified co-op ad program is getting unprecedented use by dealers, threatening to pop the division's ad budget. That task done, the executive returns to the latest market study and wonders why the company is increasing market share. That night, he looks in the mirror and improvises an acceptance speech at a NAMA Agri-Marketer of the Year...just in case.

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